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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH**

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ERIC SCHIERMEYER, Derivatively on Behalf  
of Nominal Defendant, BLOCKCHAIN GAME  
PARTNERS, INC. D/B/A GALA GAMES,

Plaintiff,

vs.

WRIGHT W. THURSTON and TRUE NORTH  
UNITED INVESTMENTS, LLC,

Defendants,

and

BLOCKCHAIN GAME PARTNERS, INC.  
D/B/A BGP GAMES,

Nominal Defendant.

**DECLARATION OF WRIGHT  
THURSTON IN SUPPORT OF  
OPPOSITION TO MOTION TO FREEZE  
ASSETS**

Case No. 2:23-cv-00589-HCN-DAO

Judge Howard C. Nielsen

Magistrate Judge Daphne A. Oberg

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1. I, Wright Thurston, am over the age of 18 and have personal knowledge of the facts set forth in this declaration. If asked to testify, I could and would competently testify thereto.

2. I have been working and leading teams on projects involving blockchain technology since 2015. This work has included mining Bitcoin, Ethereum, and several other cryptocurrencies, as well as the creation of new blockchain applications or dApps.

3. Before working on Blockchain Game Partners, Inc. (“BGP” or the “Company”), my core team and I were engaged in Bitcoin and crypto mining, including pioneering the use of renewable sources of energy, including hydro, solar, wind, and flair gas. We have developed a number of blockchain technologies, including payment, invoicing, distribution, wallet, and node technology. We also built a cryptocurrency trading platform. We successfully launched Connect, Green blockchain, and Give. These projects utilized our proof of action protocol distributing blockchain digital rewards to the network of node operators based on their computational contribution. In none of those other projects did we ever create a company treasury or conservatorship. In fact, doing so would have run counter to the core concepts of decentralization and risk potential securities-related liabilities for the company.

4. Eric Schiermeyer and I, as manager of True North (True North is made up of eight separate trusts), signed a Founders Agreement for BGP on 1 January 2019. *See* Ex. A. The Founders Agreement provides that Schiermeyer’s and True North’s equity in BGP “vest[s] immediately.” *Id.* This is consistent with the BGP Shareholder Agreement under which the shares in BGP vested 100% to each party on the same date: January 1, 2019. *See* Ex. B. Importantly, the Founders’ Agreement also expressly provides that, among other things,


Schiermeyer and True North “may earn dividends, distributions, salary, compensation, or other benefits . . . which are personal rights and are not subject to be shared with the other parties to this Agreement.” Ex. A.

5. BGP was established as a Wyoming C Corporation on January 16, 2019. Schiermeyer and I have been the only directors of BGP since its inception.

6. As a decentralized and transparent business, GALA is generated through the operation of nodes, referred to as Founders Nodes. From the outset, BGP limited the total number of potential Founder’s Nodes to 50,000. *See* [https://web.archive.org/web/20220309031813/https://support.gala.games/en\\_US/founders-nodes/what-is-a-founder's-node](https://web.archive.org/web/20220309031813/https://support.gala.games/en_US/founders-nodes/what-is-a-founder's-node).

7. The following diagram is a publicly available high-level overview of the BGP, Gala Games node ecosystem:

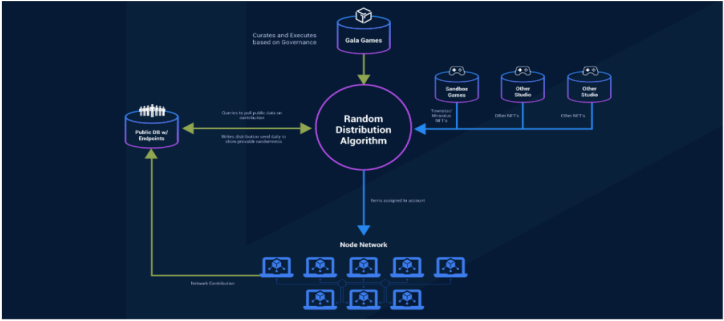
Published in Gala Games Official Blog · Nov 15



**Gala Games**  
Leading the charge in giving players control of their assets and building play-to-earn ecosystems.

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## The Nodemap: Node Ecosystem Growth and Development



It has been over a year since we introduced the first basic plans for the future of the Gala Games Node Ecosystem, and it is high time for a solid update. As we go into this update, it is important to note that software and ecosystem development is fraught with...

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8. Distribution of rewards between and among the various operating nodes is based on dividing the daily distributed GALA among a point system, which is described in detail here: [https://web.archive.org/web/20220309031813/https://support.gala.games/en\\_US/founders-nodes/what-is-a-founder's-node](https://web.archive.org/web/20220309031813/https://support.gala.games/en_US/founders-nodes/what-is-a-founder's-node).

9. Revenue streams used to support BGP operations were to come from the following: (1) Traditional F2P monetization, (2) initial sale of blockchain assets to players, (3) transaction fees on the resale of blockchain assets, and (4) shareholder loans or capital contributions to BGP. This is confirmed by internal modeling attached to this declaration, *see* Ex. C, and is consistent with advice BGP received from legal counsel, including the April 9, 2021 Legal Analysis from Murphy & McGonigle to BGP.<sup>1</sup>

10. BGP's "terms and conditions" have never contained language informing customers that BGP would establish or had established a "Treasury." No Board of Directors or shareholders vote has ever been taken to approve the creation of a Treasury. No smart contract has ever been created to establish a Treasury, the maximum amount allowed, or the terms and conditions of its use.

11. From the establishment of BPG, Schiermeyer and True North (and later the Sandbox partners) as well as other node owners were all entitled to hold their own private keys to their rewards. The exception to this was that Schiermeyer held the private keys to the NFTs

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<sup>1</sup> Due to the obvious sensitivities raised in connection with the protected nature of this legal advice, a copy of this legal analysis by the law firm Murphy & McGonigle has not been attached to this filing. Nevertheless, Schiermeyer was included in the distribution of the legal analysis and the subsequent discussions, is in possession of the legal analysis, and is familiar with its contents.

because those were harder to separate early in the Company's operations. Additionally, Schiermeyer held the private keys to certain additional GALA that had been set aside for compensation to other executives (BGP also expanded its equity pool to allow for certain employees to receive equity according to their respective vesting schedules). This wallet(s) included rewards that belong to Schiermeyer, True North, employees, and a fund for game development that BGP announced. All of this was controlled by one person—Schiermeyer.

12. In February 2021, I caused 8.6 billion of True North's earned GALA to be transferred from 43 wallets to which both Schiermeyer and I had access to private wallets to which only I held the keys. Schiermeyer was aware of the transfer; indeed, we discussed making the distribution that led to the transfer weeks earlier and he commented to me that "we were going to be billionaires." *See* Ex. D. Schiermeyer did not complain about the transfer, did not assert that the transfer was a theft, and did not claim that the GALA was not earned by True North as a substantial Gala node owner. For his part, Schiermeyer also transferred a substantial part of his own GALA several months later to wallets to which only he had access.

13. Of the 8.6 billion GALA I transferred, approximately 5.5 billion were rendered made useless/valueless on May 15, 2023, by Schiermeyer when he, without Board approval, initiated the GALA v2 upgrade (the "burn"). Shockingly, Schiermeyer has admitted in this action that the burn was specifically designed to destroy billions of True North's GALA—valued at tens of millions of dollars. *See* Amended Complaint, ¶¶ 82-85.

14. The 3.1 billion GALA already transferred out before the burn were previously sold or transferred by True North. Neither I nor True North own or control the more than 990 wallets that Schiermeyer seeks to Freeze.

15. True copies of the following documents are attached to this declaration:

- The Founders Agreements is attached as Exhibit A.
- The Shareholders Agreement is attached as Exhibit B.
- Relevant portions of “Blockchain gaming partners financial model 030419” is attached as Exhibit C.
- Text Conversation between Wright Thurston and Eric Schiermeyer dated February 21, 2021, is attached as Exhibit D.
- Blockchain Game Partners 2020 federal tax return is attached as Exhibit E.
- Blockchain Game Partners 2021 federal tax return is attached as Exhibit F.
- The 409A completed by Carta in 2021 at the direction of Schiermeyer is attached as Exhibit G.
- The 409A completed by Carta in 2022 at the direction of Schiermeyer which I received from Blockchain Game Partners is attached as Exhibit H.

I declare under penalty of perjury under the laws of the state of Utah and of the United States that the foregoing is true and correct.

DATED: September 11, 2023

/s/Wright Thurston  
Wright Thurston

### **CERTIFICATE OF SERVICE**

I hereby certify that on 11 September 2023, a true and correct copy of the foregoing was filed with the Court's electronic filing system and thereby served on counsel of record.

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/s/Lindsey A. Wharton